Make **Next.**
To Create Smiles for the Future
KYUDENKO

Corporate Profile
Of Kyudenko Corporation

Make **Next.**

To Create Smiles for the Future

Corporate Philosophy

1. We contribute to a society by creating comfortable environment for all.
2. We create new values with our technology and challenging spirit going for future.
3. We aim to be a company where human-oriented corporate culture is being developed.

Message from the President

Kazuyuki Ishibashi

Executive Officer
Representative President

Kyushu Denki Koji Corporation, the forerunner of today's Kyudenko, was founded in December 1944 with the merger of 14 electric construction companies in Kyushu.

Guided by a corporate philosophy founded on "contributing to a society by creating comfortable environment for all," "creating new values with our technology and challenging spirit going for future," and "aiming to be a company where human-oriented corporate culture is being developed," our approach to management is to fulfill our social mission as a general facilities contractor whose infrastructure makes possible everyday life while continuing to grow and evolve with the local communities we serve.

We're also striving to increase our corporate value while adapting to the changing social environment and actively developing new businesses to help realize carbon neutrality through a redoubled pursuit of technological development, including by expanding our business domain into energy conservation, creation, and storage and participating in overseas renewable energy projects.

Moreover, we remain committed to contributing to society by working to solve a variety of societal issues through business activities guided by sustainability management.

Having identified "Make Next — To Create Smiles for the Future" as the main theme of its long-term vision, the Kyudenko Group, which will mark the 100th anniversary of its founding in 2044, will continue to strive to realize a sustainable society.

We look forward to your continued support and patronage as we do so.

Business Contents

Serving as "General Facilities Contractor" whose operations offer broad support for daily life

As a general facilities contractor that supports every aspect of daily life, we are engaged in work in various fields every day. We continuously look ahead for the next level with our technology and know-how, and create reformation and innovation. Through our various business, we continue to strive to play an essential role for society and the communities.

Electrical work

Electrical work

Our electrical teams draw on a high level of technical skill and extensive experience in a variety of settings, including commercial buildings, offices, hospitals, plants, and educational facilities, to supply equipment that satisfies customers. In new construction, expansion, and renovation projects, we resolve customer issues and meet needs, from the proposal stage to installation. After project completion, we leverage after-sales maintenance structures to build long-lasting customer relationships while providing timely, responsive service that inspires trust and peace of mind, including preventive maintenance of equipment.

Plant Construction

We draw on a high level of technical skill and accumulated expertise in electrical and instrumentation equipment, which are main part of plant facilities, to support customers' manufacturing and operations. The field encompasses a broad range of facilities, from chemical, environmental, food, and feed plants to power plants and aerospace facilities. In addition to taking advantage of our extensive experience to supply safe and secure electrical equipment, we help create comfortable environments that satisfy customers through preventive and other maintenance after the start of each facilities' operations.


J:COM HorutoHall Oita


Iizuka Autorace


Tokuyama Factory, Tokuyama Corporation

Telecommunications

We build a variety of telecommunications infrastructure, which is becoming more important as information and communications technologies (ICT) continue to develop at a rapid pace, by planning, proposing, designing, constructing, and maintaining telecommunications equipment.
Services include building out FTTH networks that supply super-high-speed broadband connectivity to residences, updating cable TV equipment, and building base stations for mobile phone carriers.
We also provide support for safe and secure lifestyles by building administrative radio system for disaster prevention to address the possibility of disasters throughout Japan, including administrative digital radio system for disaster prevention that safeguard human life, firefighting and first-aid digital radio systems, and 280 MHz digital radio broadcasting systems.
Furthermore, we will create new value in the telecommunications field by providing services ranging from the design and construction of high-reliability wired and wireless networks, which will play an essential role in the digital transformation (DX), to development of a range of systems and applications and datacenter operation.


Construction of mobile phone base stations

Design and construction of information networks

Services

We provide a range of services in response to a variety of lifestyle and business needs and contribute to society by improving the telecommunications environment.

For local government

- We improve services for residents by building FTTH networks, cable TV facilities, and intranets.
- We provide means for communicating during normal times and times of emergency by installing administrative radio system for disaster prevention, firefighting and first-aid digital radio systems, and 280 MHz digital radio broadcasting systems.
- We provide peace of mind with central monitoring systems and network security.

For communications and broadcasting companies

- We improve telecommunications services by building optical fiber networks, cable TV networks, and mobile phone communications equipment.
- We build Internet datacenter equipment.
- We operate our own datacenter business and provide support for content creation.

For hospitals

- We build networks that excel in reliability and information security to serve as the base for IT medicine and for use in applications like medical accounting, image diagnostics, and electronic record-keeping.
- We help enrich patient services by installing wait time displays and reception systems for use by returning patients.

For schools and universities

- We connect sites and campuses with wired and wireless high-speed networks and support areas such as computerize forms and reports, investigative research applications and remote exchange.

For hotels and condominiums

- We help enrich guest services by building Internet equipment for use by hotel guests and condominium residents.

For the Ministry of Land, Infrastructure, Transport and Tourism

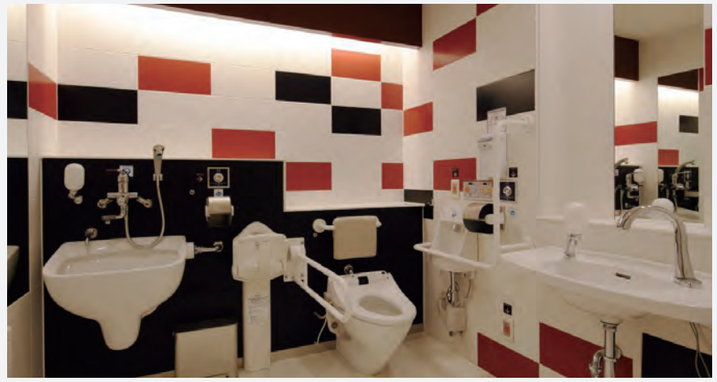
- Providing the means for managing the construction of directly supervised projects and for managing development and maintenance shipping channels through the installation and maintenance of cameras at important harbors, known as "Minato Cameras."

HVAC and sanitary facility work

HVAC work

Our HVAC teams contribute to society by providing comfortable air and water environments along with safety and security as related to those environments through work on facilities including HVAC equipment, water and wastewater sanitary equipment, and disaster prevention equipment in the full range of buildings in which people live and work, including office buildings, hospitals, hotels, and factories.
Although our services center on general HVAC equipment and sanitary facilities, we can also accommodate large heat source systems with environmentally friendly designs and the increasingly sophisticated technical requirements of facilities such as factories and hospitals, and we strive continually to pursue businesses that can live up to customers' trust. Additionally, we support safe and comfortable lifestyles by staying involved throughout the life cycle of buildings' HVAC equipment with follow-up maintenance and other services.


Kumamoto Kenmin Televisions


JR Hakata City


JR Hakata City

Environmental Technology

Thanks to the high level of technical capability and the extensive track record of experience we've amassed over time, we're contributing to the formation of a low-carbon, resource recycling-based society as envisioned by the Japanese government through initiatives related to "water safety and security," "reductions in CO_2 emissions," and "resource recycling."
For our goal of helping build a rich and comfortable living environment, we design, build, and manage the maintenance of a variety of environmental infrastructure, including wastewater treatment facilities that protect the water environment (sewage treatment facilities, industrial waste treatment facilities, and leachate treatment facilities), resource recycling facilities that recycle water and biomass (gray water treatment facilities and sludge compost systems), and water facilities that supply safe and secure water (purification plants, service reservoirs, and purification systems).
We will continue to contribute to the realization of a sustainable society by carefully assessing social needs and issues, which change on a daily basis, and consistently creating and supplying new value.


Wastewater treatment facility at a meat processing plant
(Miyazaki Kumiai Chicken Foods)

- FY2022 Excellence in Construction Award Construction of Water Treatment Equipment at the Okagaki Municipal Purification Center, Phase 8 (November 2022, Japan Sewage Works Agency)

Past awards

We received our first Promotion Award (Technical Promotion Prize) from the Society of Heating, Air-conditioning and Sanitary Engineers of Japan in 1997 in recognition of our development of a plumbing fabrication CAD/CAM system. Subsequently, we've received numerous honors and awards, including Technology Awards and Academic Paper Awards from that organization as well as Carbon Neutral Awards from the Japanese Association of Building Mechanical and Electrical Engineers.

- Society of Heating, Air-conditioning and Sanitary Engineers of Japan
  - Promotion Award (Technical Promotion Prize) (total of 15, including one run of six successive years)

<FY2020 awards>
- Society Award (Technology Awards)
- Society Award (Academic Paper Awards) (Technical Paper Category)

<FY2021 awards>
- Society Award (Academic Paper Awards) (Scholarly Paper Category)

Power distribution work

Contract power distribution work

Working under contract to Kyushu Electric Power Transmission and Distribution Co., Inc., our power distribution teams build and maintain an array of overhead transmission lines and equipment (including installation of extra high-voltage lines, high-voltage lines, low-voltage lines, and related equipment; installation of drop wires and meters; and installation of communications cables as part of the construction of systems that automate control of distribution lines). Our technical capabilities and ability to dispatch workers effectively are particularly useful in the event of natural disasters such as typhoons, when we work to restore service quickly.
In addition, we've used techniques like outage-less electrical work (which uses bypass cables, generators, and other means to avoid outages while work is being performed) and indirect live-wire work (which involves performing work without directly touching high-voltage lines) since the 1980s as a nationwide leader that pioneered the ability to carry out work while continuing to supply power to customers.

Line work

Restoration of service after a natural disaster

Restoration of service after a natural disaster

Typhoon Nanmadol (September 2022)

Typhoon Nanmadol, the 14th named storm of 2022, crossed Kyushu on September 18 and 19 with ferocious force, cutting off power to more than 350,000 households by knocking down utility poles and breaking high-voltage transmission lines.
Kyudenko fielded more than 7,500 workers, including from affiliates and partners, in the subsequent effort to restore service.

Power infrastructure construction work

We're also working to expand our businesses to encompass sales, design, estimation, construction, and installation work for projects including interconnects and underground power lines being built to accommodate the surge in construction of renewable energy power plants throughout Japan.
We've involved in a wide range of construction projects to ensure a stable supply of power, with major work including:

- Construction of interconnects for solar, wind, and biomass power plants
- Construction of conduit for underground power lines and construction and repair of low-voltage distribution cables (including 22 kV)
- Full burial work (Kyushu Electric Power conduit, multi-purpose conduit holding power and other utilities, etc.)
- General burial work (22 kV spot networks, firefighting measures, work to strengthen supply resilience, etc.)
- Overhead cable work, construction of distribution lines using corrugated cable
- Terminal work on extra high-voltage (66 kV) cable

Wind power

Solar power

Construction of interconnects for power plants

Energy business: Renewable energy

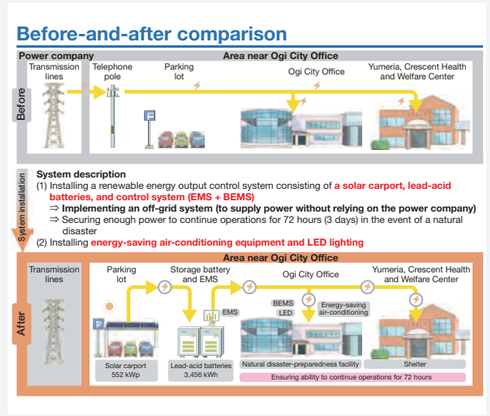
Construction of power plants

Kyudenko is expanding its involvement in the construction and maintenance management of solar and wind renewable energy plants by drawing on its core businesses of electrical work, HVAC and sanitary facility work, and power distribution work.
We've been particularly focused on securing orders for and completing EPC projects for mega solar power plants since the introduction of Japan's feed-in tariff (FIT) program in 2012, and this area of our operations has grown into a major business as we've expanded beyond Kyushu into the Chugoku, Kansai, and Tohoku regions.
In addition to building plants, we operate our own renewable energy business.
We see the Japanese government's goal of realizing carbon neutrality by 2050 as a major business opportunity, and we're working to take advantage of government policies to introduce third-party models (corporate power purchase agreements [PPAs], leases, etc.), energy management systems (EMSs), and storage batteries.
We're striving to resolve environmental management issues and realize a decarbonized society while taking maximum advantage of the technical capabilities and expertise we've accumulated to date to meet customers' diversifying needs.

Case study: Kyudenko EMS

Kyudenko receives joint New Energy Foundation Chairman's Award at the FY2022 New Energy Awards
Kyudenko, the City of Ogi in Saga Prefecture, and Kokusai Kogyo Co. Ltd. received the new Energy Foundation Chairman's Award in the "decentralized new energy advanced model" category at the FY2022 New Energy Awards.

○Reasons for award (from the New Energy Foundation's website)
In the project, which involved installing a solar carport, lead-acid storage batteries, and an energy management system (552 kW) in the city office's parking lot, the recipients built an off-grid system that operates independently of electricity from the local power company to meet all of the city office's electricity needs as well as some of the Health and Welfare Center's needs. The award recognizes the installation of a carport-mounted, high-capacity solar power system in the city office's parking lot; use of lead-acid batteries from the standpoint of safety, recyclability, and other considerations; and the development of a system for supplying off-grid power. At a time when the need to supply power to shelters and other facilities when natural disasters occur is growing, the award also recognizes the project's potential to serve as a model with major knock-on effects for other local governments.



Power generation business

Kyudenko builds, owns, and operates solar and wind power plants, and it operates a power retail business using Japan's FIT program. In addition, we participate in joint solar, wind, and biomass power generation and retail businesses by taking direct ownership stakes and by investing in anonymous associations.
This business is distinguished by its strong connections to local communities and its ability to generate stable profit and cashflow regardless of market conditions. We will continue to participate in related operations because the underlying business model allows us to differentiate ourselves in a significant manner from industry competitors.

Past projects (renewable energy generation sites)

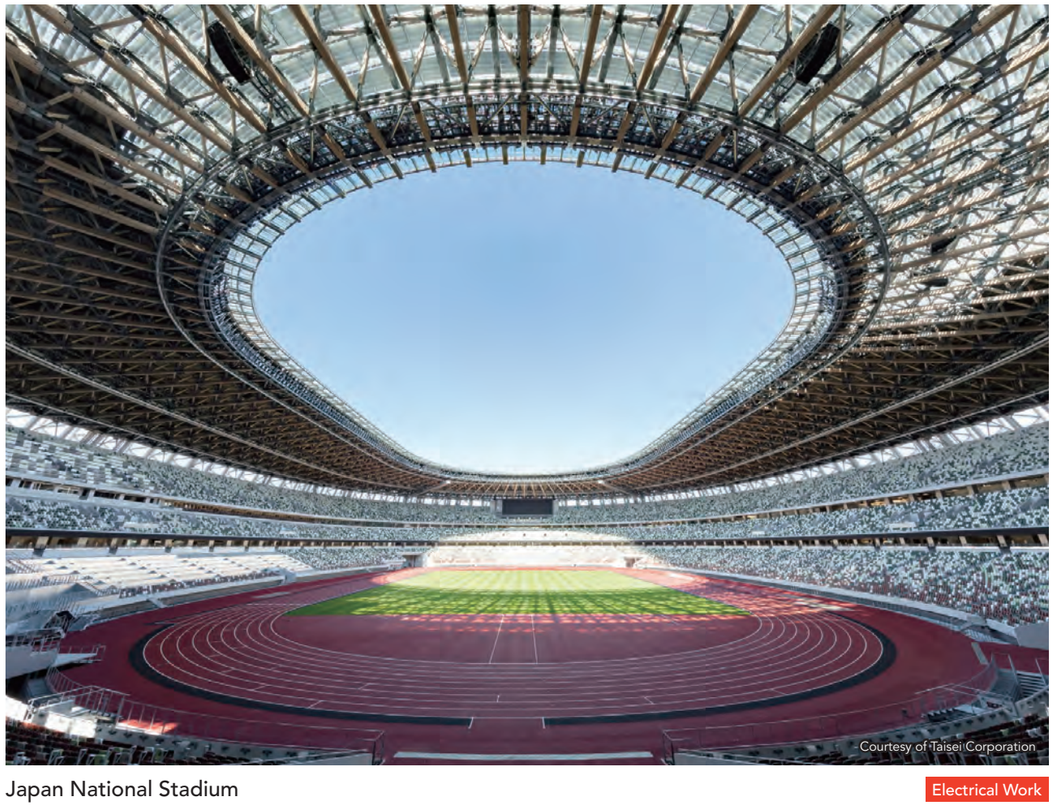
Miya River Watarai Solar Park

Kushima Wind Power Generation Plant

Kirishima Wood Biomass Power Co., Ltd.

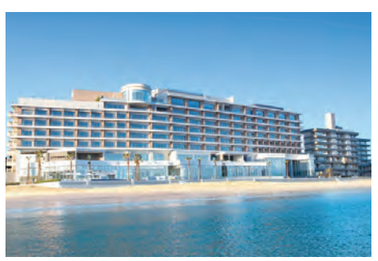
Past projects

Legend: Project name **Responsible department**



Japan National Stadium — Electrical Work

Dejima Messe Nagasaki — Electrical Work, HVAC Work



DHC Karatsu Seaside Hotel — Electrical Work, HVAC Work

Buzen Biomass Power Plant — Electrical Work

SAKURA MACHI Kumamoto — Electrical Work, HVAC Work

District Heating and Cooling System in Seaside Momochi — Energy

Installation of the Oita Bay Coast Minato Camera System and Related Works — Telecommunications

Tenjin Business Center — HVAC Work

Overseas Businesses

Bringing the Kyudenko brand to the world

Since launching our overseas business in 1979, we've accumulated an extensive track record of project participation in Asia, Africa, the Middle East, Europe, and beyond.
Today, we're operating a broad range of businesses, including electrical, HVAC, water, wastewater, and other equipment as well as plant engineering, environmental analysis, energy management systems (EMSs), and renewable energy in eight countries and regions: Singapore, Bangladesh, Malaysia, Vietnam, Thailand, Taiwan, Indonesia, and Myanmar. In this way, we strive to provide a pleasant and comfortable living environment through Kyudenko's technical capabilities.

Overseas facilities

- ■ Singapore — APECO (established in 1969)
  Asia Projects Engineering Pte. Ltd.
  Businesses: Plant installation, maintenance/EPC work, district cooling system work
  - ■ APECO Bangladesh Branch (established in 2019)
    Businesses: Maintenance service for power plants
- ■ Malaysia — Kyudenko Malaysia SDN. BHD. (established in 2012)
  Businesses: Electrical work, HVAC and sanitary facility work, fire protection equipment work
- ■ Vietnam — Kyudenko Vietnam Co., Ltd. (established in 2012)
  Businesses: Electrical work, HVAC and sanitary facility work, construction technology consulting
- ■ Thailand — Kyudenko (Thailand) Co., Ltd. (established in 2013)
  Businesses: Electrical work, HVAC and sanity facility work, energy-saving work
- ■ Taiwan — Kyulien Environment Improving Co., Ltd. (established in 1985)
  Businesses: Environmental analysis, electrical work
- ■ Indonesia — Kyudenko Indonesia Representative Office (established in 2018)
  Businesses: Energy management system (EMS) promotion and commercialization
- ■ Myanmar — Kyudenko Myanmar Branch Office (established in 2020)
  Businesses: Electrical work, HVAC and sanitary facility work

Other businesses

PPP/PFI business

A public private partnership (PPP) is a scheme in which public- and private-sector entities provide a public service. A private finance initiative (PFI) is a typical PPP technique that can be used to provide public services efficiently and effectively by utilizing private-sector funding, expertise, and leadership in the design, construction, maintenance management, and operation of public facilities.
The Kyudenko Group contributes to the local communities it serves by participating in numerous PPP/PFI projects, which offer a new social funding technique for public ventures, and taking advantage of the managerial expertise and technical capabilities it's built as a general facilities contractor with close relationships to stakeholders in those communities.

Past orders for PPP/PFI projects
(As of March 2023)

Participation as the lead company:	19 projects
Participation as a member company:	29 projects
Participation as an outside partner:	5 projects
Total:	53 projects

Dejima Messe Nagasaki

Olive business

Operation of Amakusa Olive Orchard

Embracing the challenge of a new business by producing olives and selling processed olive products

In an effort to fuel the further development of primary industry in Kyushu, we're contributing to society by embracing the challenges posed by sixth-order industries that we've identified throughout Japan and even overseas and building new business models. At the olive orchard we developed in the City of Amakusa in Kumamoto Prefecture, we've brought in an Italian-made olive press to enable production of olive oil. Products are marketed under the Amakusa Olive Orchard AVILO brand and can currently be purchased in shops operated by the orchard as well as online.

Harvested olives are pressed within 24 hours at the orchard.

Shopping center operation business

Bayside Place Hakata

A business that makes a broad contribution to the community's growth

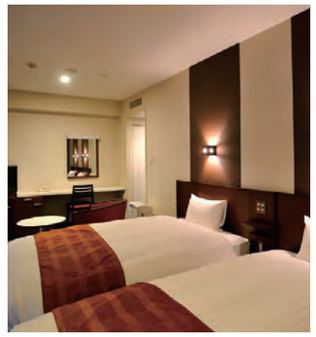
We've been operating Bayside Place Hakata since 2010 in the Waterfront district, which has come to make a major contribution to the growth of the Fukuoka City. We embraced a commitment at the very beginning to bring appealing tenants to the facility and host unique, seasonal events like the "Oyster BBQ at Bayside," which has become a winter tradition. As a result the complex has grown into a popular destination that attracts more than 2 million visitors a year.

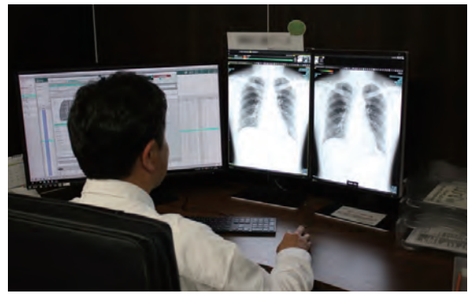
Business hotel

Hotel Urbic Kagoshima

Realizing a philosophy of hospitality and service

We entered the hotel business from the perspective of expanding the domain in which our businesses operate. Hotel Urbic Kagoshima, a business hotel whose motto is to provide a relaxing environment with interior furnishings that evoke the ocean and surrounding landmass, operates in a convenient location adjacent to Kagoshima-Chuo Station (West Exit), which offers Kyushu Shinkansen and JR service. The hotel has earned extensive praise since opening in 2007.





Medical support business

Net Medical Center

Contributing to regional medicine by providing state-of-the-art technologies

We've built support structures that have been enhanced through partnerships with universities and major hospitals around Kyushu with a system that accepts imaging data from CT and MRI tests via transmission lines so that radiologists at Kyushu University's School of Medicine and other institutions can diagnose them and send the reports to contract hospitals. We provide robust support for system operation with the latest image processing technologies and centralized data management. In this way, we're helping improve regional medicine.

Technology Development Initiatives

Leading-edge technology research to create value and realize sustainable growth

In addition to resolving a variety of issues as a general engineering company, we create value and realize sustainable growth through R&D focusing on leading-edge technologies.

Creating original technologies in collaboration with academia

Kyudenko is committed to resolving societal issues, which are becoming more diverse and complex over time, by combining its experience and expertise with universities' multifaceted knowledge and advanced technologies.

Organizational partnership agreement with Kyushu University

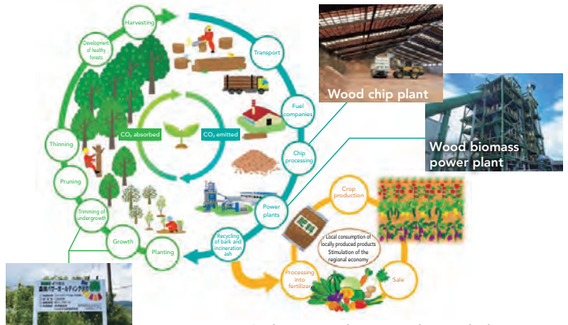
In December 2021, we entered into an organizational partnership agreement with Kyushu University to realize innovation with the goal of resolving social issues.
Under that agreement, we jointly developed an illuminance measurement robot that uses a system of swarm robots with Professor Ryo Kurazume of the Graduate School of Information Science and Electrical Engineering. We expect the system, for which a prototype consisting of three robots was completed in December 2022, to ease the labor shortage at construction sites by improving work efficiency.

At the signing of the organizational partnership agreement with Kyushu University


Illuminance measurement robots making simultaneous illuminance measurements

Utilizing combustion ash from wood biomass power plants effectively

The Kyudenko Group is working with universities and other partners (including Hiroshima University, the University of Miyazaki, and the National Institute of Technology, Kagoshima College) to recycle combustion ash emitted from the wood biomass power plants it operates into fertilizer and other useful materials.
In addition, we've undertaken an initiative to raise Japanese quick-growth paulownia as a fuel resource.



Realizing a recycling-oriented society built on energy

Initiatives with the Infrastructure Business Division and DX Promotion Department

We're developing an **AI-based air-conditioning heat source control optimization system** that combines our expertise in operating air-conditioning heat source equipment with digital twin technology from a venture company. We plan to provide new value to customers in an effort to reduce energy and CO_2 emissions by using AI to optimize operational planning.

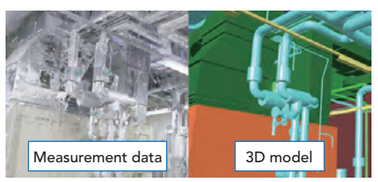
Utilizing leading-edge technology to support work in the field

We're working to resolve technical issues in the field, support sales, and improve operational efficiency by validating and deploying leading-edge technologies.

3D measurement

By making accurate measurements with 3D scanners, workers can use high-precision drawings to study projects, even in improvement projects where up-to-date drawings are not available.

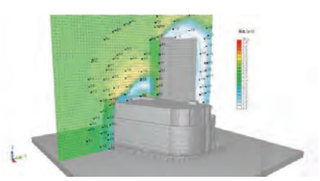
Site conditions are recorded digitally.

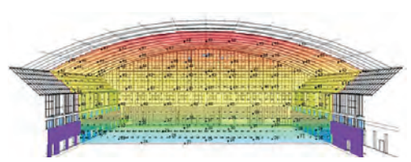


3D models can be created from measurement data.

Airflow simulations

Airflow simulations make it possible to calculate airflow, windspeed, thermal transfer characteristics, and other data so that indoor temperature distribution from air conditioners and other data can be visualized, allowing workers to propose the best equipment for each project.

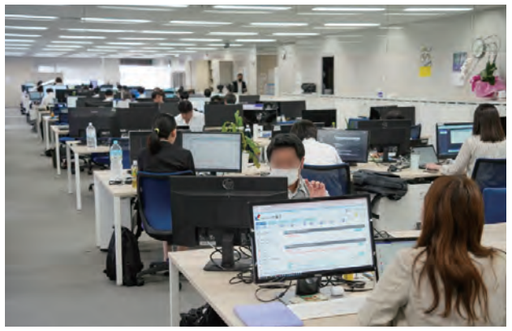

Invisible airflows can be visualized.


Temperature distribution maps can be created for large spaces.

Digital transformation (DX) initiatives

Improving corporate value by realizing productivity reforms and utilizing digital technologies

We established the DX Promotion Department in October 2020, and we're moving forward with initiatives to increase our corporate value by leveraging digital technologies in an effort to realize productivity reforms, one of the three reforms identified in our Mid-term Management Plan.



We're working to create a virtuous cycle characterized by changes in workstyles (operations), society (the environment), and technology (construction sites) in line with our DX slogan of "Things will change with DX. We will make that change happen."
As a first step to put in place a digital environment at Kyudenko, we handed out company-use smartphones to all employees and installed mobile computers. At the same time, we moved email and file servers to the cloud so that workers could access company data safely no matter where they were physically located. This initiative spurred increased diversity in workstyles, for example by allowing employees to work from home, and it ushered in an environment in which individual employees can do their jobs efficiently. In addition, widespread use of chat tools has both facilitated timely support for workers in the field and revitalized internal communication.

Examples of general facilities DX initiatives (strengthening general facilities work)

Initiatives to enable remote work in the field

The DX Promotion Department, Power Distribution Department, Electric Technology Department, HVAC and Plumbing Engineering Department, Safety Management Department, and Technology Development Department have come together to support work in the field while preventing work accidents.

Building information modeling (BIM) initiatives

Building information modeling (BIM) is a technique for using information to model the parts and materials that make up buildings. Use of BIM is expected to yield significant operational improvements and efficiencies, and the Ministry of Land, Infrastructure, Transport and Tourism is looking to apply it to all projects by FY2025. Kyudenko has launched a project to build a BIM environment, and we're moving forward with efforts to put in place structures for training BIM engineers in electrical and HVAC work and to provide BIM capabilities for megaprojects in the Tokyo region.

Training digital human resources

To contribute to the adoption of digital technologies, we're working to train DX human resources who are well versed in both IT and site operations, as well as digital human resources who can help promote use of digital tools in the field. We offer significant, companywide assistance to help employees earn IT qualifications, and we're assisting as workers earn certification as advanced information technology engineers, IT passports, G-certification, and data scientist certification, among others. Through these initiatives we're seeking to improve individual employees' IT literacy.

Digital human resources training goal

We hope to train 10% of our employees (about 700 people) to serve as digital human resources by the end of FY2024.

Human Resources Development Initiatives Kyudenko Academy

A sanctuary of learning dedicated to training future professionals by refining their knowledge, technical skills, and commitment

Kyudenko Academy is situated in a lush natural setting in the town of Kiyama in Saga Prefecture. Since we believe that people are an asset and that human resources development is the principal means by which the group can increase its corporate value, this academy serves as a symbol of human resources education. In addition to ensuring trainees master advanced, specialized knowledge along with various technologies and skills, the facility takes an educational approach that integrates mind, skills, and body by utilizing "the Hogakuan," a site that provides psychological training, and "the Safety Learning Building," which is dedicated to building safety culture.

Reflecting our corporate philosophy of "aiming to be a company where human-oriented corporate culture is being developed," we've established a Human Resource Development Charter and an Ideal Human Resources as guidelines for the development of human resources, our most important management resources, and we've formulated a series of Educational and Training Policies to guide annual training. The Kyudenko Academy exists to put these policies into practice.

WorldSkills national and international competitions

We first participated in WorldSkills at its second national competition in 1964, and we've since won 11 Gold Medals for electrical and HVAC work. Recently, we won a Gold Medal for the first time in six years at the 60th WorldSkills Japan competition in 2022.
Competitors are assigned to work in a technical department following their participation in the competition, allowing them to put the technologies and skills they learn to good use. This program serves to maintain Kyudenko's technological capabilities and ensure they're passed down to a new generation of workers.

60th WorldSkills Japan competition
(competitor Kazuo Minami)

Safety Learning Building

Involving all employees in the drive to eliminate accidents

We established the Safety Learning building to specialize in safety education so that workers could understand, learn from, and think about accidents while exercising resolve (motivation) to ensure safety as a way to help them reaffirm their pride as professionals in creating safety while ensuring that the lessons of tragic past occupational accidents will remain fresh in their minds. We're striving to cultivate a safety culture as we work tirelessly to pursue our goal of eliminating accidents through what trainees learn at this facility.

Long-term Vision: Make Next — To Create Smiles for the Future

The Kyudenko Group has formulated a Long-term Vision built on our corporate philosophy that anticipates megatrends and characteristics of the social environment that are likely to develop in the run-up to the 100th anniversary of our founding (in 2044), with a focus on business opportunities and business development. The document provides a specific outline of our basic approach to realizing the Three Contributions (our role in creating a sustainable society) and our vision.
We plan to refine the Long-term Vision over time in response to the evolving times and the changing environment in which the Group operates while spreading it throughout our organization as "Kyudenko-ism" and passing it on to a new generation.

Long-term Vision, an outline of Kyudenko's goals informed by megatrends

Corporate philosophy Make **Next.**

Long-term Vision To Create Smiles for the Future

Our role in creating a sustainable society

Three contributions

1. Resolving social issues
Contributing to the realization of rich and satisfying lifestyles by taking advantage of our technological capabilities to resolve issues being faced by society

2. Realizing a decarbonized society
Contributing to the realization of a decarbonized society through clean energy

3. Maintaining and developing regional public infrastructure
Contributing to the maintenance and development of regional infrastructure through the stable supply of power, equipment construction, urban development, and other services

Basic stance towards achieving our vision

Contributing to the realization of a recycling-oriented society
Balancing social value and economic value by resolving social issues through our corporate activities (practicing "Creating Shared Value," or CSV, management)

- **Searching for and deepening technological capabilities**
  Expanding and strengthening our broad technological domain to meet customers' expectations
- **Creating new value through the digital transformation (DX)**
  Streamlining and increasing the sophistication of construction work in the field and creating new businesses through digital technologies
- **Promoting diversity**
  Creating an appealing company with a diverse workforce
- **Strengthening alliances**
  Realizing technological innovation and creating new businesses by promoting open innovation

Mid-term Management Plan

Implementing sustainability management

In addition to managing its businesses in accordance with its corporate philosophy, Kyudenko is working to balance social and economic value by establishing a Long-term Vision to commemorate the 100th anniversary of its founding (in 2044) and working to resolve societal issues, realize a decarbonized society, and maintain and develop regional public infrastructure.
In line with this corporate philosophy and Long-term Vision, we also formulated a Sustainability Basic Policy and identified key issues (materialities) in order to focus even more effectively on improving corporate value from a long-term perspective while considering factors including the global environment, society, and the economy.
Going forward, the Kyudenko Group will help create a sustainable society through systematic and active efforts to address the key issues (materialities) based on the Sustainability Basic Policy.

Sustainability Basic Policy

The Kyudenko Group will help create a sustainable society and improve its corporate value by resolving societal issues through its business activities in line with its corporate philosophy.

Key issues (materialities) and policy directions

	Societal issues	Key issues (materialities)	System diagram	SDGs	Policy direction
Environment	Climate change Decarbonized society Energy	Contribution to the widespread adoption and spread of clean energy*	B		Advancement of energy-creating work and businesses (solar and wind power, biomass power generation, PPAs, EMSs, etc.)
		Contribution to energy savings*	B		Advancement of energy-saving work (proposals of work to improve energy efficiency [ES], EV charging equipment, ZEBs, energy-saving equipment, etc.)
		Realization of carbon neutrality at Kyudenko by 2050*	B		TCFD compliance, reduction of Kyudenko's CO_2 emissions
Society	Diversity, labor practices, employment, and human rights	Creating an environment where diverse values are accepted and individuals can make the most of their abilities	D		Promoting diversity and inclusion, building diverse and flexible workstyles, and respecting human rights
	Occupational health and safety	Creating engaging workplaces that put safety first	E		Eradicating serious accidents, practicing health management, and increasing employee engagement
	Education and training	Strengthening general human traits (the ability to complete tasks, character, and creativity [the ability to think])	D		Strengthening human resources development and building diverse career maps
	Local communities	Maintaining and developing local infrastructure by providing a stable supply of power, installing equipment, etc.	C		Maintaining and developing social infrastructure through existing businesses
	Disaster preparedness	Helping put in place natural disaster-resistant infrastructure through Kyudenko's technical capabilities	C		Natural disaster-resilient urban planning, disaster recovery, support for disaster-affected communities, local community service activities
	Innovation	Creating new value through technological development and active collaboration	A		Creating new business domains, increasing productivity, pursuing investments into the DX and technological development, pursuing open innovation, pursuing M&As
	Waste products	Contributing to the formation of a waste recycling-oriented society	A		Promoting the 3Rs (reduce, reuse, recycle) and green purchasing
Governance	Organizational governance Prevention of corruption Compliance Fair business practices Anticompetitive behavior	Carrying out fair, highly transparent business activities	E		Strengthening corporate governance, ensuring compliance, implementing information security management, strengthening risk management, ensuring fair transactions throughout the supply chain

Notes 1. (*) Environmental items: We disclose information in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
2. System diagram: A: Resolving societal issues B: Realizing a decarbonized society C: Maintaining and developing local public infrastructure
D: Strengthening human capital E: Strengthening robust management platforms
3. We will review key issues (materialities) as necessary based on factors such as future changes in social conditions.

Implementing environmental management: Initiatives based on TCFD recommendations

In keeping with our corporate philosophy and Long-term Vision, we're working to resolve a variety of sustainability-related societal issues by drawing on our technological capabilities as a general facilities contractor, for example by building energy-saving and clean-energy facilities and disaster-resistant infrastructure.
In addition to recognizing the need to deal with environmental problems including climate change as a key issue (materiality) and establishing medium- and long-term environmental management goals in December 2021, Kyudenko has expressed its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
In December 2022, we disclosed information across the four categories of Governance, Strategy, Risk Management, and Metrics and Targets in accordance with the TCFD's recommendations. Going forward, we will enhance initiatives to realize a sustainable society while continuing to disclose information based on frameworks recommended by the TCFD.

Intermediate goals related to environmental management

2030 Realize a reduction of at least 50% in CO_2 emissions per unit of sales* (compared to 2013).

2050 Realize carbon neutrality.

*Emissions per unit of sales defined as (Scope 1 + Scope 2 / Kyudenko non-consolidated sales (t-CO_2/¥100 million).

Initiatives being undertaken to achieve those goals

- Installing an EMS at the Kyudenko Academy
- Purchasing EVs and installing EV chargers (Except special-use construction vehicles that cannot be replaced)
- Making environmentally friendly capital investments in equipment at company-owned buildings
- Utilizing post-FIT equipment (assets whose business service life has ended)
- Conducting R&D in partnership with industry and academia
- Others

Sustainability initiatives

As a company with deep connections to the communities it serves, we're working to create a society that can grow and develop on a sustained basis.

Contributing to the local community

We believe that participating in community projects and social contribution activities is one of our social obligations as a member of the communities in which we operate. We designate every October as "Refreshing Community Month," a time for each of our sites to undertake social contribution activities, for example by using our expertise in working at height to clean up the environment or by inspecting equipment at social welfare facilities. This year marks the initiative's 55th year, and it has become a core part of our program of social contribution activities.

Children's Sports Class

This local event, part of the Refreshing Community Month program, is led by athletes from our Track and Field Club. It's held in partnership with the Fukuoka Elementary Student Track and Field Class (Heiwadai Junior Club) and attracts about 300 children each year.

International contributions

We're involved in a variety of programs, including operating the Honorary Consulate of the Republic of Indonesia in Fukuoka, running the Japan-Indonesia Friendship Association of Kyushu, and implementing international student support programs, and orchestrating volunteer activities in partnership with NGOs.

Supporting academic researchers

We launched this initiative in FY1999 as a way to support academic researchers, primarily those working in Kyushu. It mainly targets research related to Kyudenko's businesses.

Pursuing workstyle reforms

We established the Workstyle Reform Promotion Committee in FY2017 as an entity that reports to the president, and we're working to implement a variety of measures, including introducing new vacation structures, establishing days for promoting use of annual paid leave and no-overtime days, and promoting diverse workstyles.
The DX Promotion Department was created in October 2020 and is working to introduce and utilize digital technologies to streamline operations.
In FY2023, we established the Workstyle Reform Office to further boost productivity and employee engagement.

Promoting diversity

Harnessing the abilities of a diverse and varied workforce on behalf of the organization
To achieve sustained growth, Kyudenko will strengthen its competitiveness by empowering each member of its diverse workforce to make the most of their skills and abilities, ensuring mutual recognition of the perspectives and values borne of individual differences, and harnessing them as organizational assets to create a new level of innovation.

Promoting health management

Recognizing that employee health is an important management resource, we formulated a Health Management Declaration in FY2018. To improve awareness of the fact that employees' health is our No. 1 priority, we're actively providing support for autonomous activities by employees to increase their health and promoting organizational health activities in order to realize an environment in which employees can work with peace of mind and to create bright, pleasant workplaces.

Social contributions by the Track and Field Club

Our Track and Field Club has a long history, and its members—male and female alike—have proven their ability at competitions in Japan and overseas. Members bring the same work ethic to practice as they do to their work, and they promote their activities to a nationwide audience. They also participate in regional track events, and they're involved in locally rooted social contribution activities, for example offering technical instruction.

Company Overview

Name	Kyudenko Corporation
Head Office	1-23-35 Nanokawa, Minami-ku, Fukuoka City, Fukuoka Prefecture 815-0081, Japan
Established	December 1, 1944
Capital	¥12,561,560,000 (as of April 1, 2023)
Employees	6,931 (as of April 1, 2023)
Construction Industry Permits	No. 1659 (Toku-4), issued by the Minister of Land, Infrastructure, Transport and Tourism Electrical work, Telecommunications work, Fire protection facilities work, HVAC work, Machine and equipment installation work, Water and sewerage facilities work, Sanitation facilities work, Civil engineering work, Architectural and construction work, Paving work, Scaffolding, earthwork, and concrete work, Steel structure work, Interior finishing work
Listed	The Prime Market of the Tokyo Stock Exchange and the Fukuoka Stock Exchange

History

December 1944	The Company is founded with capital of ¥2.5 million (Head Office: 11 Hasuike-cho, Fukuoka City).
October 1945	The Tokyo Satellite Office opens (present-day Tokyo Head Office).
June 1947	The Company enters into a contract to perform power distribution work for Kyushu Haiden Co., Ltd. (current Kyushu Electric Power Company, Incorporated).
February 1952	The Head Office moves to the Denki Building.
July 1964	The Company launches its HVAC business.
February 1965	The Osaka Office opens (present-day Kansai Branch Office).
September 1972	The Company is listed on the first section of the Tokyo Stock Exchange.
April 1976	The Head Office moves to a new building (1-23-35 Nanokawa, Minami-ku, Fukuoka City).
December 1989	The Company changes its name to Kyudenko Corporation.
December 1997	The Company earns ISO 9001 certification.
December 1999	The Company earns ISO 14001 certification.
July 2008	The Tokyo Head Office opens.
March 2012	Kyudenko Academy, the Company's training center, opens in a newly build facility (Kiyama-cho, Miyaki-gun, Saga Prefecture).
April 2022	The Company's listing moves to the Prime Market of the Tokyo Stock Exchange due to a market reorganization.

Officers

Information about Kyudenko's corporate officers can be found here.

Businesses

Power distribution work, Design and installation
Overhead transmission lines and equipment, buried power equipment, and other power infrastructure

Electrical equipment work, Design and installation
Receiving and transforming facilities, on-site power generation, building monitoring and control, trunk lines, electric power, lighting outlets, video, audio, stage lighting, TV, interphones, broadcasting, and other electrical equipment

HVAC, water, and wastewater sanitary equipment work, Design and installation
Heating and cooling, climate control, clean rooms, heat storage and other heat-source systems, district heating and cooling facilities, water and wastewater sanitation systems, gas, utility equipment and pipes, solar systems, refrigeration and cold storage equipment, and other HVAC, water, and wastewater sanitation equipment

Telecommunications equipment work, Design and installation
Optical fiber communications work, cable TV, radio systems used by local government for disaster readiness and response, digital radio systems used in firefighting, local community radio (MCA), community FM, local information radio, mobile phone base stations, IP telephony, network construction, networked cameras, digital signage, monitoring systems, BEMS, datacenter business, development of other systems, and other telecommunications equipment

Plant equipment work, Design and installation
Electrical and other instrumentation and equipment at facilities such as manufacturing plants, waterworks, sewerage and wastewater treatment, waste treatment, and food and feed plants

Environmental equipment work, Design and installation
Sewage treatment facilities, sewage pre-treatment facilities, leachate treatment facilities, industrial wastewater treatment facilities, community wastewater treatment facilities, water facilities (water purification plants and distribution reservoirs), membrane filtration equipment, filtration equipment, sewage sludge recycling systems (liquid fertilizer manufacturing systems, etc.), water (greywater) recycling systems, other environmental equipment

Disaster prevention equipment, Design and installation
Emergency broadcasting, emergency power generation, smoke prevention and control equipment, automatic fire notification, evacuation guidance, comprehensive disaster readiness monitoring facilities, fire hydrants, sprinklers, special firefighting, smoke control, and other disaster prevention equipment

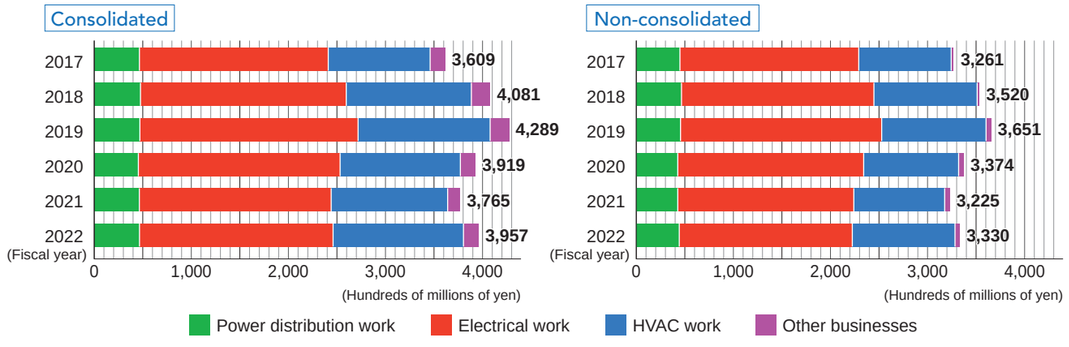
Ecological businesses, Energy-saving plan
Renovations of electrical, HVAC, and environmental equipment; green power certificate issuance service; and other energy services

Renewable and new energy business
Solar power, PPAs, wind power (terrestrial and marine), biomass power, hydrogen and other forms of new energy, EMSs, micro-hydro power, maintenance, and other operations

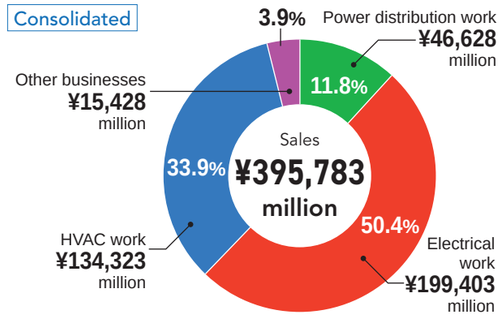
Maintenance service
Building equipment (operational monitoring and inspections of elevators and other equipment and machinery), electrical equipment, disaster prevention equipment, HVAC equipment, water and wastewater equipment, water treatment facility management, telecommunications equipment

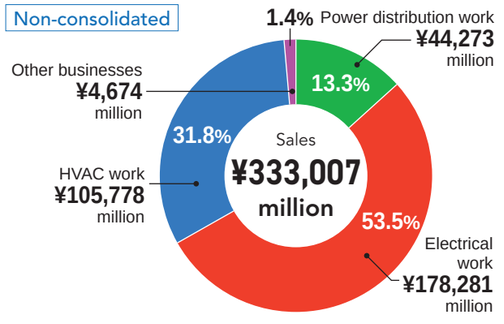
Primary industries
Amakusa olive business

Sales by segment



Sales by segment (fiscal year ended March 2023)





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https://www.instagram.com/kyudenko__official/

https://www.kyudenko.co.jp/en/

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